

CAPE FLATTERY SCHOOL DISTRICT No. 401
Clallam County, Washington
September 1, 1990 Through August 31, 1992

Schedule Of Findings

1. District Officials Should Comply With Chapter 1 Requirements

The district had not developed administrative systems needed to achieve compliance with federal Chapter 1 regulations.

The "Common Rule" for *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, as referenced by the *Compliance Supplement for Single Audits of State and Local Governments*, and prescribed by the U.S. Office of Management and Budget (OMB), Subpart C, Section-40(a) states:

Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, or activity.

The district is not in compliance with the following Chapter 1 requirements:

- a. Chapter 1 funds were used to supplant nonfederal funds by not spending the available Learning Assistance Program (LAP) awards of \$5,937 and \$13,143 for the fiscal years ended 1992 and 1991, respectively. LAP is a local revenue source. Chapter 1, Title 34 Code of Federal Regulations (CFR), Section 200.44 requires the district to spend all local funds before using Chapter 1 funds.
- b. The district had not established selection criteria and cut-off scores to be applied consistently for each grade level. [Title 34 CFR 200.31, Section 1014(b)]
- c. The district had not identified those students in the greatest need. [Title 34 CFR 200.31, Section 1014(b)]
- d. The district did not have documentation demonstrating the consultation and involvement of administrators, teachers, parents, and other interested parties during the planning, implementation, and evaluation of the program. [Title 34 CFR 200.34, Section 1016]
- e. The district did not have written learner objectives reflective of student needs, which are used to monitor each student's progress. [Title 34 CFR, 200.31, Section 1014(b)]
- f. The district had not developed or implemented a written plan for a three-year

sustained gains study to be used for planning purposes. [Section 1435 of the Chapter 1 Program Requirements]

- g. The district did not maintain an inventory of equipment purchased with Chapter 1 funds. [Title 34 CFR Subpart C, Section 80.32 (EDGAR)]

By not monitoring program requirements and activities, and by not developing the necessary policies and procedures to ensure compliance, the district failed to substantially comply with Chapter 1 requirements. This resulted in questioned costs of \$65,803, which are detailed on the Schedule of Questioned Costs included in this report.

We recommend the district:

- a. Comply with Chapter 1 requirements and monitor program activity to ensure funds are being utilized in accordance with the program requirements.
- b. Resolve the questioned costs of \$65,803 with the Superintendent of Public Instruction.